

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7233

BILL NUMBER: HB 1124

NOTE PREPARED: Jan 5, 2004

BILL AMENDED:

SUBJECT: Property Tax Study Committee.

FIRST AUTHOR: Rep. Heim

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill establishes the Interim Study Committee on Property Tax Issues.

Effective Date: Upon passage.

Explanation of State Expenditures: The Interim Study Committee on Property Tax Issues consists of 19 members: (1) The Chair of the Senate Finance Committee (who serves as co-chair); (2) The Chair of the House of Representatives Ways and Means Committee (who also serves as co-chair); (3) two additional legislators; (4) the Commissioner of the Department of Local Government Finance (DLGF); and nine members of local government and one lay member. The Speaker of the House, with advice from the House Minority Leader, and the President Pro Tempore of the Senate, with advice from the Senate Minority Leader, must jointly appoint the nine local government members and the one lay member. Additionally, the Speaker and Senate President, with advice from minority leaders, must appoint four lay members representing taxpayer interest groups.

Appointments must be made before July 1, 2004. Appointed members serve at the pleasure of the appointing authority. The appointing authority must fill any vacancy within 45 days. The committee meets upon the call of the co-chairs. The Committee expires January 1, 2006.

The Committee operates under the rules of the Legislative Council. Legislative Council Resolution 03-02, adopted May 28, 2003, provides for a budget of \$15,000 for committees that consist of 16 or more members. The budget amount could vary per interim depending on future Legislative Council resolutions. The Committee budget would be paid from funds appropriated to the Legislative Council from the state General Fund to pay for per diem and travel expenses. Given that appointments must be made before July 1, 2004,

and that the Committee expires January 1, 2006, the committee could receive funding from both the FY 2005 and FY 2006 Legislative Council budgets.

The Committee must evaluate property tax procedures and policies; a means of assuring effectiveness, efficiency, fairness, and uniformity; and the extent to which greater efficiency would result from a reduction in the number of assessing jurisdictions. The Committee must provide recommendations in an electronic format before December 1, 2005, to the Governor, the DLGF Commissioner; and the LSA Executive Director. Legislative Services Agency must provide staff support to the Committee. LSA should be able to absorb any additional expenses associated with the bill given its current budget and resources.

Explanation of State Revenues:

Explanation of Local Expenditures: A total of nine county executives and local assessing officials will serve on the Committee. However, local expenditures will not be affected because members would receive reimbursement from the state for travel and per diem associated with serving on the committee.

Explanation of Local Revenues:

State Agencies Affected: Office of the Governor, Commissioner of the DLGF, and LSA.

Local Agencies Affected: Counties, cities, towns, and townships.

Information Sources: Legislative Council Resolution 03-02, adopted May 28, 2003.

Fiscal Analyst: Bernadette Bartlett, 317-232-9586.